

LEBANON

CIA'S CLOSE AND COVERT TIES WITH U.S. FIRMS REVEALED

/Article by Nabil Khuri: "CIA's Relations With American Companies"; Beirut, al-Hawadith, Arabic, 16 February 1973, pp 32-34/

A few days ago, one of the Arab Gulf nations was able to obtain a grave secret report, a very grave report.

The grave report is long and discusses the activity of the American Central Intelligence Agency (CIA) in the Middle East and the role which it earlier played in the Arab area and the role which it will play in the future, in the gulf in particular.

After the report discusses -- at length -- the elements and agents which the agency has been able to infiltrate into organizations, parties, and the various machineries in the Middle East, it finally says that the CIA is preparing a coup to take place in an Arab nation this year (1973) and that this coup will have a tremendous effect on the balance of power in the area and on Arab-American relations over the next 10 years.

It is not strange that the CIA should "cook up" or prepare or assist in a coup in the Middle East; in fact, it would be strange if it had no connection with a coup taking place there. Many stories have been written about this connection, not the last of which was reported in the book by Miles Copeland (a witness from the inside), "Game of Nations."

The most significant thing in the report which was provided to the gulf nation (after an explanation of the reasons which would make America pull off a new coup) concerned the close relationship between American companies and the CIA.

The report says: The relationship between the CIA and American companies is not new; it is an old and close relationship and exists everywhere in the world. Scandals about this relationship are no longer a secret. It was the United Fruit Company which launched the Guatemala coup in 1957 and ITT (the International Telephone and Telegraph Company) which tried to stop Salvador Allende from becoming president in /Latin/ America. This story was broken by the well-known American reporter, Jack Anderson, when he published 27 documents in March 1972 which proved this and the White House was unable to deny it. There are many other stories.

The report then says that the CIA has become increasingly reliant on American companies in the Middle East and that these companies will play an important role in carrying out the plans of the agency.

Officials in the gulf nation were astonished, but anyone who reads the history of the CIA (or at least what has been published about it) is not surprised.

Anyone who reads -- between the lines -- about the history of this agency is not suprised at all.

Anyone who tries to learn more and more about this American intelligence apparatus realizes at once that the report provided to the gulf nations is logical and reasonable.

This is an attempt to review history and to read between the lines and to expose -- if possible -- the secrets of this apparatus.

In order not to get lost in a labyrinth, we will limit the issue to the relationship of American companies with the CIA.

Bringing Things Together

A few weeks ago, Muhammad Hasanayn Haykal wrote an article entitled "Kissinger and I." The thrust of the "frank article, in which our colleague, the chief editor of al-Ahram, declined to be modest, was that more than one attempt had been made to arrange a meeting between advisers Kissinger and Haykal. Mr. Haykal said that the go-between for the proposed meeting was an American businessman named Donald Kendall. Mr Kendall's position, according to the article, is chairman of the board of directors of the Pepsi-Cola Company.

What connection does an American Businessman, such as Mr Kendall, have with high-level American policy and with the Middle East crisis, and how can he arrange a meeting on this level? This is something which Mr. Haykal did not make clear in his article, although he did indirectly allude to the fact that this businessman was a personal friend of President Nixon.

Also a few weeks ago an American named Ferguson arrived in Beirut and stayed at the Excelsior Hotel. His job was to conclude contracts with employees to work for an American company in one of the "desert" capitals.

People in Beirut were surprised at Mr Ferguson's new capacity, having known him here and in many Arab capitals as a political counselor and as a charge d'affaires of the American embassy.

The connection of one public relations firm in Beirut with American companies and the American government and with the American "machinery" is quite clear and needs no evidence, although it does need to be established.

In what capacity did Mr Kermit (Kim) Roosevelt, the son of the late American president, come to the Middle East? Naturally he came as a businessman. This of course did not stop Mr Roosevelt from setting up or preparing a coup in the area in his free time. His fingerprints are still on more than one coup or attempted coup in the area.

We do not know if the doors of the office of Mr Miles Copeland, the author of the celebrated book, "Game of Nations," are still open in Beirut; what we do know is that he also joined the "businessman's club" for a certain period of time during which he pursued his favorite hobby, the "game of nations."

Every evening Athens Airport handles more than one American businessman coming from an Arab capital, spending his "weekend" in the Greek capital in closed "work" sessions.

There is more than one question mark around the way in which an American contractor (of Greek origin) named Frank B. Basil was able to get contracts in the Arab area worth 70 million dollars and about the role which this contractor plays in the aforementioned "closed" sessions.

It is no secret that more than one of the big American arms firms which have handled the sale and installation of arms in the Arab world are the same ones which handled the sale and installation of arms in Israel, and that their experts who came to supervise the "installation and training" know most of the Arab airfields (particularly the military fields) inch by inch, that after they finished their jobs in Arab lands, they went to complete their jobs in occupied Arab lands (Israel), and that their information and maps all were deposited in the vaults of the CIA offices in America and subsequently reached Israel.

There are many secrets. By way of example, examples which are endless, the experts of one of these companies (37 in all) spent more than 3 months in one of the "oil-producing" Arab amirates visiting oil wells, well by well, and drawing maps and fixing their locations in order to submit a report on the best way to protect them. When the (top secret) report was completed, a single copy of it was slipped out and it is still not known what happened to it.

Another secret also (also one of the endless examples) is the fact that one of the big companies which signed contracts to maintain all military equipment and machines is carrying out or carried out this maintenance in Israel. This company was so dumb as to mention this fact in its publications. As of the time these lines were written, no one knows how this company was able to answer what was reported in its publications (if indeed it were asked at all). At best, it could say that the report was completely a "typographical error" as happens in newspapers.

What Information Do You Have?

One time, more than a year ago, al-Hawadith asked a Time magazine correspondent about his connection with the CIA and the truth of the charge that some of his foreign correspondent colleagues worked with the CIA.

The correspondent replied at that time that "he personally was not an agent of the agency" but he went on to say that every time he returned from one of his trips to the Arab world, an official of the political section of the embassy would direct many questions about his trip to him. He then said, "This official may or may not work for the CIA but he is always asking questions."

We mentioned this incident (which we reported at the time) to confirm that there is a senior CIA officer (usually not a military man; in fact, he might even be a college professor) at every American embassy throughout the world. This officer's power depends on how weak the American ambassador is and vice versa, and this officer has broad jurisdiction, both over journalists and businessmen.

Naturally this does not mean that every American businessman is necessarily an "agent" of the CIA. However, this does not stop an American businessman from "serving his country" gratis by providing information for which he is asked. There are American businessmen who refuse to get paid for their information, and there are those who accept, and there are those who ask services in return for their services, such as having an American

embassy apply open "official pressure" on a given Arab nation to have their companies get a bid on the pretext of strengthening commercial and economic relations between the two countries. This official pressure reached such a point once that it made an American embassy refuse to give any bid to any non-American company until after it was consulted, or until after American companies had refused to bid.

There is the story of the telephone conversation between the former British Prime Minister, Harold Wilson, and American President Johnson which has become famous. Wilson had to contact the American president by telephone (on the so-called hot line) to make an urgent request to him to permit Britain to make an arms deal with a certain Arab nation because the British balance of payments needed this deal. The deal was concluded within 24 hours after Johnson's approval, after signature of it had been delayed for 44 months because of American pressure.

More than one American businessman has refused to cooperate with the CIA and, as a result, had to forget about doing business in the Arab area because of the obstacles which were placed in his path, the least of which would be the refusal of the commercial attache at an American embassy to certify that his company was ranked as a first-class company in America without which rating the company could not be accepted to do business in the Arab area.

It may be a coincidence (and only a coincidence) that some of the owners of these American companies operating in the Arab area are Jews and that they have contributed with rare generosity to American presidential election campaigns. However, it is no coincidence when the Israel Boycott Office reveals that these same companies have close financial and industrial relations with Israel.

.....And Salvador Allende

Then, a long way from the Arab area.

In February 1972, the reporter, Jack Anderson, published 27 documents which established that America had tried to prevent Salvador Allende (the communist) from becoming president in Chile.

It was natural for America to try to prevent Allende from becoming president; the unnatural thing was the way which it followed to bring him down, or more correctly, the means which it employed.

The means was a big American company, as we mentioned, the ITT company.

The capital of this company is 7 billion dollars.

The first document which Anderson published was about this company's contribution of 300,000 dollars to the Nixon presidential campaign.

Then came the astonishing documents.

Their publication caused a major uproar which made the American Senate Foreign Relations Committee open an investigation about the issue of the administration's cooperating with American companies operating abroad and the effect of this cooperation upon American foreign policy.

The first thing which the committee did was to obtain copies of the published and unpublished documents and to confirm that they were genuine, that is, that they were not forged. After an investigation which lasted more than a month, the FBI (the Federal Bureau of Investigation) certified that they were genuine.

What did the documents say?:

1. One of the documents was a letter from a senior vice president of ITT named Edward Garrity to the chairman of the board of directors of the company, Harold Geneen, in which he described the negotiations which had taken place between him and another person (whose identity was revealed in a second note to be William Baru /transliterated/ who had at one time held the position of CIA's Chief of Latin American Affairs). The letter said that the negotiations had reached a conclusion which, in essence, was that the official had drafted a program to cause an economic collapse in Chile which would be carried out in several steps, the most important of which were:

- a. Banks would stop giving any banking facilities.
- b. Companies operating in Chile would stop sending necessary money and equipment to the country.
- c. All technical teams operating under the American foreign aid program would be withdrawn.

2. Another document proved that an aide of the ITT Chief of Public Relations, Mr G.D. Neal /transliterated/, had contacted the President's adviser, Henry Kissinger, and had informed him that Mr Geneen (the head of the

company) was prepared to discuss the interests of the Chile branch and to help out by paying up to a 7-figure sum (from 1 - 9 million dollars) if Allende did not reach power.

3. A note from the company's information machinery in Chile said that the U.S. Ambassador there, Mr Edward Cory /transliterated/, had at a late hour on the night of 15 September received a message from the American State Department sent by President Nixon giving him sweeping powers to prevent Allende from reaching power.

4. A note from William Miriam /transliterated/, the head of the ITT office in Washington, to John McCone, a director of the company who, by coincidence, formerly occupied the position of Chief of CIA, in which he said that he had gotten in touch that day with a person in Maclean (where CIA headquarters is located) -- presumably this person was William Baru -- who was not optimistic about the results of the efforts which had been exerted by ITT to prevent Allende from becoming president, and that he wanted contacts to continue to select a group from the armed forces to launch a military revolution in the country.

The note recommended that the leader of the coup should be Brig Gen Robert Viaux Marambio who had been expelled from the army on the charge that he had undertaken a small-scaled military movement demanding pay raises.

This is a small part of the contents of Anderson's documents. The special committee for the investigation made up of members of Congress met with a refusal by the White House to allow Mr Peter Flanagan (Nixon's adviser on business relations) to appear before it to testify and it issued a report in which it confirmed that the documents were genuine.

It was still to be learned that ITT had concluded a contract with an Arab nation recently to study a project considered to be a secret military project of major importance, and that it might be a coincidence (what a coincidence) that the company would sign this contract, at this time in particular. It might be a coincidence, and only a coincidence, that returning to the area at this particular time are names such as: Bob Shahin, who used to work as an adviser for an American military mission and who is returning now as a public relations adviser for an Arab company which deals in arms; also returning is Col McBride (Head of the American Corps of Engineers in the Arab area), also as a special adviser for a company; and Frank Long, who used to occupy the post of vice president of RCA which is barred by the boycott office, is resigning his post to return to us as the owner of a real estate office in New York.

However, it is a coincidence (the story comes from the well-known American correspondent, Wilton Dean) that reporters in Beirut should have sought out a "special" company to obtain precise information on the identity of the officers who launched the Iraqi coup in 1958?

What else?

More, More.

However, the really strange thing is that we still wonder -- constantly -- and are continually surprised at the way in which Israel obtains the most accurate information on military and strategic locations in the Arab world.

And each time we wonder how we get hit dead center and how Israel can threaten to strike a blow at the Arab supporting nations -- the second line of confrontation -- that is, to be explicit, the oil nations, and where does it get information when it does not photograph any locations in these countries from the air.

The answer to this curiosity is simple and clear: Ask the American companies; they are the ones who drafted and implemented all the sensitive projects in the sensitive areas.

We hope that the gulf nations which received the grave report on the CIA will stop being surprised after reading this issue. If they read it!!!